



**To: Planning Commission**

**From: Alma Flores, Economic Development Manager and Amy Koski, Economic Development Project Coordinator**

**Date: April 8, 2015**

**Subject: Food Cart Feasibility Study**

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## **WORK SESSION DISCUSSION ITEM – April 29, 2015**

The purpose of the April 29, 2015 Work Session is to follow up with Planning Commission on work that has been done since the June 26, 2013 Work Session on temporary mobile sales as applicable to food trucks, carts, and/or trailers. At that time, Planning Commission directed staff to further study food cart operations and propose regulatory options to help address daily operations on private property. Two specific questions were posed to Planning Commission to frame the June 26, 2013 Work Session:

1. Should the existing Code be liberalized to allow food trucks, carts, and/or trailers to remain on site?
2. Should the city investigate the possibility of developing Code standards for food carts?

Existing City of Beaverton Development Code regulations were developed prior to the recent evolution of the food cart industry, and, as a result, do not adequately address some of the needs voiced by food cart operators, property owners, residents, visitors, employers, and employees. The June 2013 Work Session prompted the following considerations:

- a. Research questions 1 and 2 above,
- b. Suggest solutions on how to handle food cart operations, such as where carts may park so that they are out of view of residential zones and out of the public right-of-way,
- c. Consider the appropriate conditions for food cart parking behind buildings not abutting residential zones,
- d. If sites exist for food cart pods, identify most appropriate locations,
- e. If food carts become permanent, establish policies to ensure sites are kept clean and tidy,
- f. Consider policies and regulations in other cities.

In response to the June 2013 Work Session, staff developed the following Food Cart Feasibility Study (Study) to address these questions and considerations. The Study was conducted from December, 2013 to May, 2014, and includes data from a survey of almost 1,500 residents, research on urban food carts across the country, potential pod sites, and policy recommendations.

## Executive Summary: Key Findings and Recommendations

The Food Cart Feasibility Study (Study) provides a snapshot of the economic landscape for the food cart market supply and demand in Beaverton. It was designed to define the food cart industry and understand consumer interest while acknowledging the current regulations.

Since 2012, the City of Beaverton had received feedback from mobile food owners regarding the challenges presented by the current seven-hour limit. At the same time, there appeared to be increased interest from Beaverton residents, employees, and entrepreneurs for more diverse and local food options within business districts. Planning Commission held a Work Session in June 2013 to reinitiate discussion around food carts and consider the possibility of extending operating hours and/or fostering policy changes to allow food cart pods.

Following this discussion, the Study was designed to research food cart pods for a suburban context and to answer the following questions:

1. Should food carts stay open longer?
2. Should food carts stay in place overnight?
3. Should Beaverton allow multiple food carts to co-locate?

The Study provides a background and history of the food cart industry along with a description of the different types of temporary mobile sales units, national trends, and current status and regulations of food carts in Beaverton.

Following public outreach, a cross city comparison with similar cities to Beaverton, and the administration of three online surveys to customers, property owners, and business owners in April 2014, and retail gap analysis, key findings were identified:

- Across three separate surveys, support for easing regulations for food carts and allowing them to co-locate outweighed negative attitudes by at least two-to-one.
- When considering whether an expanded food cart industry in Downtown Beaverton would hurt local restaurants, create health or sanitation issues, or increase traffic and noise, most respondents in each survey did not consider these to be issues.
- Responses were generally positive about food carts increasing walkability, offering additional low-cost dining options, and expanding dining cuisines and variety.
- When asked about where food carts should be allowed to locate, the most common answer for customers was the Downtown area (68.3%) followed by Old Town (66.7%) and Industrial/Office areas (64.2%), while the most common response for business and property owners was Industrial/Office areas (62%).
- Research examining the City of Beaverton reveals an unmet need for additional food services in certain areas.
- The retail supply and consumer demand gap in the three-mile downtown trade area indicates Beaverton has \$157 million in untapped potential for food service.
- Within the specialty food services category, where food carts are generally represented, the demand exceeds supply by a minimum of \$1.2 million (2012).

Through direct mail of the property owner survey to all property owners within the Downtown area in addition to online respondents citywide, 17 property owners responded with an expressed willingness to host a food cart pod on their site. A set of 12 criteria informed by prior research, best practices, and city policy goals were used to evaluate these sites as potential food cart pod. The top seven sites include Peddler's Pack, Beaverton Professional Center, the vacant parcel at 12130 SW Broadway Street, the Korean BBQ, the Beauty School on Hall Boulevard, Giovanni's, and Mill e Moto.

Overall policy recommendations will be reserved for discussion with the Planning Commission. Planning Division and Economic Development Division staff plan to prepare draft text amendment language that could further assist Planning Commission in this discussion. Policy options include the main questions posed in June 2013 and included as part of the Study with consideration of overlay zoning in a defined geography or superimposed on one or more established zoning districts and/or amendment of the Development Code as it relates to Temporary Use.

In conclusion, a Work Session is scheduled with Planning Commission for April 29, 2015 to consider next steps for food carts in Beaverton.

# FOOD CART FEASIBILITY STUDY

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# I. BACKGROUND AND HISTORY

## A. Study Description and Scope

To address the questions posed by the Planning Commission, EDD Staff prepared this comprehensive Study evaluating the food cart industry, retail market potential, demographic and business environment, and potential locations for expanding food carts in Beaverton. For the purposes of this Study, the term *food carts* is used to describe mobile food trucks and stationary carts (often called trailers) that generally remain in one location for an extended period of time and may be one of several carts, trailers, or trucks used to form a food cart pod. Figure 1 on page 6 displays the four most common types of mobile food vendors. Catering trucks and mobile food trucks are already allowed in the city, but may not remain in one location for more than seven hours under the Temporary Mobile Sales (TMS) permit. Geographically, this Study focuses on Downtown Beaverton and the three-mile trade area surrounding the downtown core. As the focal point of numerous city-wide revitalization and redevelopment efforts, Downtown Beaverton would be an ideal place to launch, observe, and evaluate changes to current food cart regulations if adopted by the Planning Commission.



This Study solely addresses TMS permits relating to food cart operations and does not include changes to the current regulations of push-cart vendors that operate in public right-of-way areas. Under the City of Beaverton's TMS permitting requirements, food carts may operate on private property in the city limits provided that certain development standards are met, appropriate permits are issued, and zoning restrictions are followed. When reviewing this Study, the potential impacts of this one type of mobile

vending – temporary mobile sales for food carts – should be considered in light of other mobile vending uses such as push-carts and catering trucks. In addition to permitting food vendors, TMS permits can also include mobile personal care services (i.e. hair salon, barber shops) pet clinics, retail sales, medical and dental uses, etc. The City of Beaverton's current regulations, application procedures, and requirements for TMS permits are outlined in detail in Section D below.

## B. Food Cart Industry Overview

The increasing popularity of food carts and street food in general, has many cities reconsidering regulations related to mobile food vending. Food carts have evolved past the traditional ice cream and lunch/catering trucks that follow designated routes and stop for short time at a customer's request. Today, food carts have evolved in many cities to operate a modern and efficient business model, driven by technology, customer demand for low-cost, convenient food, and a new wave of entrepreneurship emerging from the economic downturn. Modern food carts offer diverse, high-quality dishes that involve some on-site food preparation. With relatively low-barriers to entry, lower-costs than traditional restaurants, and flexibility of operations, food carts can be an

important economic engine for individuals and local economies by filling gaps in food services, cuisine types, and under-utilized public spaces, and by offering new employment and entrepreneurship opportunities for all types of individuals.

Many food carts and trucks rely on social media, such as Twitter or Facebook, to advertise their location and product offerings to the public. These mobile food trucks, so-called “Twitter Trucks,” that do not remain in one location for extended periods of time, are already allowed and regulated in the City of Beaverton. This Study considers mobile food trucks under the “food cart” definition if they remain on-site for more than seven hours at a time, stay on-site overnight, and/or co-locate to form a food cart pod/cluster.

There are many pros and cons to food carts and street food vendors. Street vendors attract people and attention, and can create or enhance a sense of community. They can also provide a desired service and utilize previously unused public spaces. However, crowds gathering by street vendors have the potential to create vehicular and pedestrian traffic hazards, and some believe that street vendors are unsightly or unclean, and can threaten the viability of off-street establishments. It is typical for food carts to congregate on private property and form a food cart pod or cluster. When food cart pods/clusters form, the neighborhood can benefit from enhanced walkability, new community space, and an increased diversity of food services, but these pods can also become disruptive, loud, or unsightly, and can attract unwanted crowds. Typically, customers drive or walk to a food cart or food cart pod, and either stay on site to eat or leave the site immediately after receiving their order.

Figure 1 displays several types of food carts, trucks, trailers, and vendors. This Study uses the term *food cart* to refer to stationery carts (often called trailers) and mobile food trucks that remain in one location for extended periods of time.

**Figure 1: Description of Temporary Mobile Sales Units**





## National Trends

Nationally, food carts are a growing trend. According to research from Intuit, a software company for small businesses, the U.S. mobile food vending industry generated approximately \$650 million in revenue in 2012 and is projected to reach approximately \$2.7 billion by 2017.<sup>1</sup> In addition, a growing number of cities are:

- Allowing mobile food cart vendors to operate within their limits to promote pedestrian-oriented destinations, support and grow their local economy, and increase access to affordable, quality, local food;
- Implementing longer operating hours or eliminating time limit restrictions;
- Reducing (or, in high-density areas, abandoning) proximity restrictions that limit carts from operating within a certain distance of permanent outlets such as schools, parks, and food and beverage establishments;
- Reducing regulations that supported anticompetitive practices with brick-and-mortar restaurants.

Additionally, the food cart industry is growing and maturing. Mobile food vendor associations have formed at state and regional levels across the country including: the National Food Truck Association, the DMV Food Truck Association in the DC-MD-VA region, the Southern California Mobile Food Vendors Association, and the New York City Food Truck Association, among others.<sup>2</sup> These organizations are gaining power and acting as a voice for mobile and street food vendors in city and regional policymaking.

Often, food trucks can be a low-cost way to test the market for a new cuisine concept prior to opening a brick-and-mortar restaurant. Despite the financial leap from food cart to brick-and-mortar restaurant, many operators see their cart as a stepping stone to a storefront business.<sup>3</sup> In recent years, with the growing popularity of food carts and trucks, this process also works in reverse: successful restaurants and chefs have launched gourmet food trucks to extend their brand, increase awareness, or supplement existing restaurant sales. Additionally, several large, national corporations with dominant market share and strong branding power have also entered the growing food cart market, including Taco Bell, Starbucks, and T.G. I. Fridays.<sup>4</sup>



### FOOD & BEVERAGE CART PERMIT INFORMATION

Food carts, referred to as Temporary Use Mobile Sales, are permitted on private property in the City of Beaverton provided certain development standards are met, appropriate permits are issued, and zoning restrictions are followed.

*"We are conducting a Food Cart Feasibility Study to explore various options related to economic development and land use that could potentially expand mobile food vending in Beaverton while minimizing negative impacts to and ensuring the safety of pedestrian and vehicular traffic."*

—Alma Flores, Economic Development Manager



An application for Temporary Mobile Sales shall be required when the following threshold applies: the sale of plants, flowers, crafts, beverages, food, and other similar items in a single location for a period that is greater than one hour and less than seven (7) hours per day. (ORD 453) August 2009

#### APPROVAL CRITERIA FOR TEMPORARY MOBILE SALES (TMS)

In order to receive approval for a Temporary Mobile Sales application, applicants must demonstrate that the following criteria are satisfied in their proposal:

- Satisfies threshold requirements for a TMS application
- Application fees have been submitted
- Contains all submittal requirements
- Is located entirely within private property in a Commercial, Industrial, or Multiple Use zoning district
- Written consent of property owner
- Written permission from the City if proposal is located on a public right-of-way within any of the Regional Center or Town Center zoning districts
- Poses no threat to public safety
- Complies with all applicable use restrictions of zone
- Does not involve a permanent building
- Does not obstruct or occupy minimum required parking spaces unless demonstrated that those spaces are not being used by permanent use located on subject site
- Maintain safe vehicle and pedestrian circulation
- A TMS has not been issued for the same site

For complete information about specific requirements and regulations for food carts operating within the City, please review Chapter 40 – Permits and Applications of the Development Code.

**FOR MORE INFORMATION, CONTACT:**  
Economic Development Department  
Food Carts Program (503) 526-2631  
[www.BeavertonOregon.gov/FoodCarts](http://www.BeavertonOregon.gov/FoodCarts)

<sup>1</sup> Intuit, "Food Trucks Motor into the Mainstream," 2012

<sup>2</sup> Next City, "Cities Can't Ignore That Food Trucks Have Grown Up." 2014

<sup>3</sup> City of Portland, "Food Cartology," 2009

<sup>4</sup> Next City, "Cities Can't Ignore That Food Trucks Have Grown Up." 2014

As the industry expands and matures, many cities are adjusting their perspectives and policies to accommodate this new type of small business.

### C. Food Carts in Beaverton

As of March 2014, there were five permitted food carts operating within the City of Beaverton, as shown in map for Figure 2.<sup>5</sup> Of these five carts, four are owned and operated by minority business owners. There are additional, unpermitted carts operating within and just outside of the city limits on Beaverton-Hillsdale Highway as well as others serving employees at office parks and industrial properties.

In Beaverton, food carts typically stay in one place and operate the 7-hour maximum time limit from early lunch through dinner. Carts may move to a second location later in the day, but are limited to 7 hours in one location. Food carts must have property owner or management approval to stay beyond this allotment and cater to onsite employees, as state law requires food cart vendors to have a restroom facility within 200 feet of their location if stopped and operating for more than one hour.

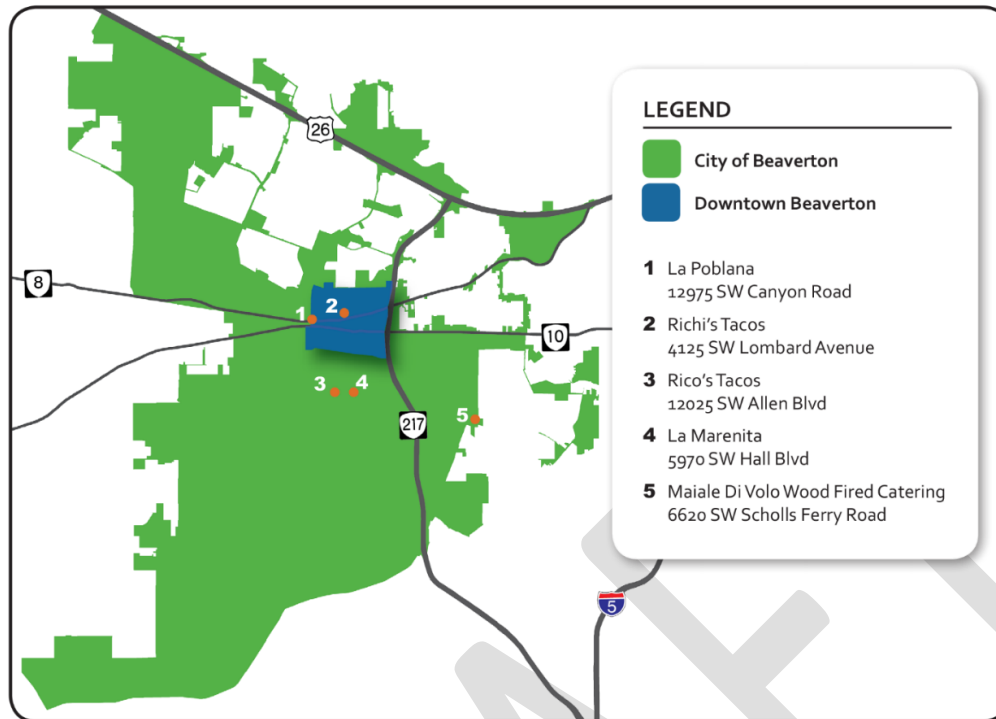
Under existing regulations, a temporary use permit is required to sell to the general public on private property. These permits allow vending operations specific to one location. During site visits in May 2014, staff observed that the allotted parking for current food carts operating in the City appeared adequate, and many customers walked from surrounding properties, as shown in Figure 3. At existing Beaverton food cart sites, seating was limited or non-existent; customers generally left the site immediately after receiving their food.

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<sup>5</sup> City of Beaverton BRAD Permitting Database



**Figure 2: Food Cart Locations, February 2014**



**Figure 3: Existing Food Trucks**





#### D. Current Regulations

In order to receive approval for Temporary Mobile Sales (TMS) from the City of Beaverton, applicants must demonstrate that the following criteria are satisfied (Chapter 40.80.15.1.C of the Development Code):

1. The proposal satisfies the threshold requirements for a Temporary Mobile Sales application.
2. All City application fees related to the application under consideration by the decision making authority have been submitted.
3. The proposal contains all applicable application submittal requirements as specified in Section 50.25.1 of the Development Code. [ORD 4265; October 2003]
4. The proposal is located entirely within private property in a Commercial, Industrial, or Multiple Use zoning district and the applicant has written permission from the property owner to utilize the subject property for the proposal. [ORD 4584; June 2012]
5. The applicant has written permission from the City if the proposal is located on a public right-of-way within any of the Regional Center or Town Center zoning districts. [ORD 4584; June 2012]
6. The proposal will not pose a threat to the public safety or convenience when the temporary use is proposed to be located on a public right-of-way.
7. The use in which the proposed temporary use is engaged is listed as a Permitted use in the specific Commercial or Multiple Use zoning district and complies with all applicable use restrictions of the zone. [ORD 4513; August 2009]
8. The proposal will not be located within the vision clearance area of an intersection as specified in the Engineering Design Manual and Standard Drawings. [ORD 4365; October 2005]
9. The proposal does not involve use of a permanent building.
10. The proposal shall not obstruct or occupy minimum required parking spaces unless it can be demonstrated that the minimum required parking is not being used by the permanent use located on the subject site pursuant to Section 40.55.15.3. (Excess Parking) of the Development Code. [ORD 4513; August 2009] [ORD 4584; June 2012]

11. Safe vehicle and pedestrian circulation is provided consistent with Section 60.55. (Transportation Facilities) of the Development Code. [ORD 4584; June 2012]
12. The proposed hours of operation for the temporary use are allowed in that zoning district and do not require Conditional Use approval. [ORD 4513; August 2009]
13. A permit for Temporary Use – Mobile Sales has not been issued for another temporary use on the same site during the same approval period or portion thereof. [ORD 4513; August 2009]
14. Applications and documents related to the request, which will require further City approval, shall be submitted to the City in the proper sequence.

The following are conditions of approval (Chapter 40.80.15.1.E):

1. The Temporary Mobile Sales shall obtain a City Business License.
2. Temporary Mobile Sales involving the sale of food products shall be licensed by the appropriate State and/or local agency.
3. All Temporary Mobile Sales activities shall be conducted at the particular location authorized.
4. The Temporary Mobile Sales shall not have hours of operation exceeding seven (7) hours in a twenty four (24) hour period. [ORD 4513; August 2009]
5. Signage shall be permitted for Temporary Mobile Sales consistent with Section 60.40.15.12. of this Code.
6. During operation, the operator of a Temporary Mobile Sales shall maintain a copy of the City approval and present same for inspection upon request by City personnel.
7. Suitable receptacles for disposal of trash, as defined by the City of Beaverton Code 4.08.085, subsection C, must be provided and maintained by the permittee on the site of the temporary use in sufficient numbers, as determined by the Director, to accommodate all trash generated by the Temporary Mobile Sales. The permittee shall be responsible for disposal of accumulated trash and for clean-up of trash generated by the Temporary Mobile Sales.
8. Products for sale shall be removed at the end of each business day.
9. Tables and chairs available for customer seating shall be limited to area not to exceed eight-feet by eighteen-feet and shall not obstruct or occupy minimum required parking spaces unless it can be demonstrated that the minimum required parking is not being used by the permanent use located on the subject site pursuant to Section 40.55.15.3. (Excess Parking) of this Code. [ORD 4513; August 2009]
10. The Director may impose conditions necessary to ensure that adequate parking exists and that vehicles entering or exiting the site do not create a safety hazard.
11. The Director may impose conditions necessary to safeguard the public health and safety and to minimize potential adverse impact created by the Temporary Mobile Sales on the surrounding property and use.

Food carts in Beaverton must obtain an annual business license from the city, and all food service workers must have a food handler's license from the Washington County Department of Health

and Human Services.<sup>6</sup> Washington County inspects food service facilities, including food carts, to ensure compliance with the Oregon Department of Human Services (DHS) Food Sanitation Rules. The state has additional regulations governing sanitation, water, and restroom facilities, according to each mobile food unit's classification. Classifications are based on the menu served and the level of on-site preparation (prepackaged only, some cooking, full preparation) required.<sup>7</sup> While the Oregon Vehicle Code (OVC) regulates public streets, cities retain local authority to regulate public sidewalks, and under policing powers, may regulate private property in the interest of protecting public health, safety, and welfare.

In recent years, interest in allowing more flexibility in the Beaverton TMS use has increased, and in 2009 the Planning Commission approved a text amendment to the TMS code (section 40.80.15.1). These amendments:

- allowed an increase in the daily operating hours from four (4) to seven (7) hours,
- removed the requirement that a TMS needed to be more than 500 feet from a similar business,
- increased the expiration of the TMS permit from 180 days to one year, and
- added the ability to renew the TMS for an additional year.

Despite these changes, the existing regulations remain restrictive and inadequate for most mobile food vending operations, including those operators wanting extended hours and/or co-location on private property to achieve a pod concept. Section IV: Cross-City Comparison, further details the required permits, fees, and regulations governing food carts in Beaverton and other similar cities.

## II. BEAVERTON POLICY GOALS AND OBJECTIVES

### A. City-Wide Policy Goals Relating to Food Carts and Clusters

The City of Beaverton has numerous public policy initiatives, goals, and plans to revitalize the downtown core, increasing alternative modes of transportation, and enhance the sense of community in the city. These can be found in the 2011 Beaverton Civic Plan, the 2011 Central Beaverton Urban Renewal Plan, and the 2010 Community Vision Action Plan, among others.

The 2011 Beaverton Urban Renewal Plan prioritizes revitalization of the central area of Beaverton. Among the 30 objectives in the Plan, Objective B3 encourages new investment in underused parcels; Objective C2 encourages development for businesses of all sizes; Objective E2 aims to improve walking, biking, and transit access; and Objective G1 focuses on developing civic amenities that contribute to the identity of the civic core for commercial and pedestrian activities.<sup>8</sup>

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<sup>6</sup> Oregon Department of Human Services "Mobile Food Unit Operation Guide"

<sup>7</sup> Oregon Department of Human Services "Mobile Food Unit Operation Guide"

<sup>8</sup> Central Beaverton Urban Renewal Plan, 2011, "Guiding Goals and Objectives" pages 8-11

The 2011 Beaverton Civic Plan further emphasizes the goal of “creating a vibrant downtown” by outlining the downtown area and identifying major themes for development including i) easing pedestrian, bicycle, and motorist access through the city, ii) creating plazas, parks, and open spaces, and iii) encouraging development “to bring liveliness and activity to the Central City through code adjustments” and other means.<sup>9</sup> The Plan maps potential “Opportunity Sites” for redevelopment, proposes several pedestrian districts in the downtown area, and suggests that pedestrian areas should have wide sidewalks, furniture, and active building frontages.<sup>10 11 12</sup>

Additionally, the 2012 Update to the *2010 Beaverton Community Vision Action Plan*, also includes city-wide objectives related to increasing walkability, cultural opportunities, and family-friendly restaurants, music, and entertainment venues. Specifically:

- Goal #30 states: Recruit anchor tenants and mixed-use housing development to help generate foot-traffic and stimulate additional business investments
- Goal #23 states: Recruit businesses, restaurants, and galleries that stay open late to extend the time downtown is open for business and cultural opportunities
- Goal #40 states: Establish restaurants, music venues, and entertainment to suit all ages.

Further, the *2012 Downtown Beaverton Retail Analysis* discusses the opportunities and challenges Beaverton faces in “strengthening the downtown retail mix” and bringing “quality retailers that residents desire” to the downtown core. Challenges include a lack of destination blocks or clusters, the absence of a strong retail identity, and a lack of overall retail cohesiveness. The opportunities to improve downtown include the city’s changing demographics and growing consumer demand, proximity to public transit, ample parking, the development potential of Watson and Broadway Avenue, and events such as the farmer’s market and First Friday. The report suggests Beaverton should work to:

- Attract local, independent businesses
- Repurpose key downtown buildings and vacant parcels
- Reinforce retail development through the physical environment
- Encourage start-ups by providing flexible, smaller-sized and reasonably-priced spaces as well as an incubator

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<sup>9</sup> Beaverton Central City Strategy, 2011, “Major Themes” page 3

<sup>10</sup> Beaverton Central City Strategy, 2011, “Catalyst Development Projects” page 60

<sup>11</sup> Beaverton Central City Strategy, 2011, “Proposed Pedestrian Districts” page 76

<sup>12</sup> Beaverton Central City Strategy, 2011, “Designing for a Walkable Central City” page 54

While food carts and food cart clusters are not explicitly listed in these strategic development plans, previous research demonstrates that food carts could help achieve many of these community development goals.<sup>13</sup> Food carts and food cart clusters can positively impact street vitality, increase walkability, and enhance community identity and atmosphere.<sup>14</sup> Carts and clusters can also repurpose underutilized or vacant properties, drive economic growth, and be a strong avenue for entrepreneurship – especially for minority residents.<sup>15</sup>

“ I believe the value added to the community by adding food carts outweighs the downsides. I believe Beaverton has too many restrictions on food carts. ”

## B. Support Programs Already Exist

As the primary resource for businesses and development partners in the City of Beaverton, the Economic Development Division (EDD) coordinates, communicates, and advances Beaverton's economic development policies and priorities. EDD currently offers many programs and services geared toward business attraction, assistance, and development, as well as site redevelopment, microenterprise financial assistance, and storefront improvements. In 2005 the city launched a Downtown Storefront Improvement Program to help businesses finance facade improvements to unify and update the downtown neighborhood; in 2011 the city developed the Beaverton Main Street Program and began working with downtown stakeholders to establish the Beaverton Downtown Association (BDA) and as of 2014, the BDA was designated as a 501(c)(3) non-profit organization with a Board of Directors that meets regularly and holds public events such as First Friday; and in 2015 EDD will be implementing a wayfinding program to increase signage and promote walkability in downtown.

In 2012, EDD helped set up an incubator for food-related businesses, working closely with the Food Processing sector and businesses in the city. Bohemian Gourmet Foods opened the first licensed commercial/commissary kitchen in Beaverton, where chefs, bakers, and caterers can rent space by the hour. This space is primed to serve food cart vendors as well, offering preparation space and the opportunity to learn business and marketing skills from others in the local food industry.

The EDD department is also actively engaged with supporting minority- and women-owned businesses. Since 2012 EDD has worked closely with local non-profit organizations including Microenterprise Services of Oregon (MESO), Adelante Mujeres, the Hispanic Metropolitan Chamber of Commerce, and Center for Intercultural Organizing, to provide programs, training, and resources to minority, women, and emerging small businesses (MWESBs) in Beaverton.

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<sup>13</sup> City of Portland, "Food Cartology," 2009

<sup>14</sup> City of Portland, "Food Cartology," 2009

<sup>15</sup> City of Portland, "Food Cartology," 2009



As demonstrated, the City of Beaverton has numerous policies and priorities in place to enhance and develop the downtown community and support local businesses, and food carts and food cart pods could be an important part of that vision. Since the City's Economic Development Division already has the structure and funding for programs and services that support businesses, much of the necessary infrastructure is already in place. With Beaverton's food cart industry still in its infancy, the City has the opportunity to proactively guide, support, and strategically grow the industry in line with its development goals and existing plans.

### III. STUDY METHODOLOGY

To assess the feasibility of food carts and food cart clusters in the Downtown Beaverton core and research the Planning Commission questions for the Study, EDD staff used a variety of data collection methods outlined below. The following definitions and methodologies are used to understand the food cart industry and present a "snapshot" of Beaverton's current food cart conditions.

As noted, this Study uses the term *food cart* to represent the stationery carts and mobile food trucks pictured in Figure 1 on page 6. Further, the Study only observed and surveyed those food carts with permitted locations in Beaverton.



1. Staff obtained a list of permitted food carts from the city's BRAD permitting database and verified data with individual site visits. Carts were then mapped using Geographical Information System (GIS) software to pinpoint their locations in and around downtown Beaverton.
2. Staff gathered research on food cart regulations and operations in other cities to survey different regulatory positions, identify potential opposition to policy revisions, and investigate how food carts affect the urban landscape.
3. Staff developed and implemented several public outreach channels to facilitate research for the Study, including: a comprehensive webpage with current food cart information on regulations, locations, and application procedures; collateral materials distributed to the general public; local media and news outreach; and three targeted online community surveys for potential customers, business owners, and property owners in both English and Spanish.
4. Staff identified potential locations for a pilot food cart pod where property owner survey respondents indicated interest in allowing a pod on their property.
5. Staff analyzed retail market demand, neighborhood demographics, and household trends for the downtown core and extended central city using ESRI Business Analyst Online



(BAO) data. This market analysis identified a \$157 million gap in supply in Beaverton's food and beverage sector.

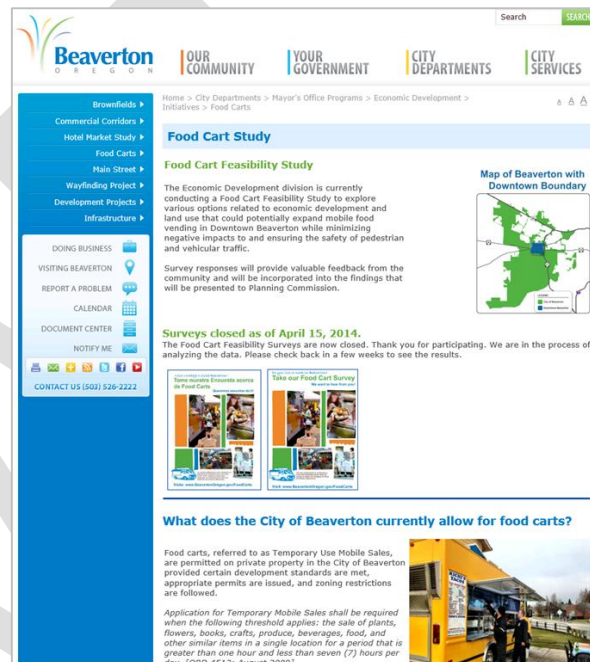
All data were analyzed to identify recommendations for the Planning Commission in response to the questions posed at the June 26, 2013 Work Session. Recommendations also consider existing and potential issues that are specific to a first-tier suburb such as Beaverton.

## A. Public Outreach

To solicit local resident feedback, Staff participated in four types of public outreach: a comprehensive food cart website, collateral marketing materials, local media (news, radio, and web) marketing, and three online surveys (described in detail in Section V: Survey Analysis).

### *Website*

The Food Cart webpage provides comprehensive information on all food cart matters in one organized, central location on the city's website. The site details current regulations, links to necessary applications, and a map of current food cart locations. It also provided links to three online surveys which form the basis of this Study's analysis, as well as access to outreach flyers in English and Spanish and a map of Beaverton's downtown boundaries to provide context when responding to the survey.



### *Collateral Material*

Collateral pieces developed for the Study include a Food & Beverage Cart Permit Information flyer that provides consolidated information about food cart regulations and approval criteria, and two community outreach flyers (English and Spanish) promoting the online survey. The outreach flyer was sent out to every City employee as well as to over 1,400 contacts through the Economic Development Division. Both flyers were printed out and distributed to food cart owners in Beaverton and the surrounding community to share with their customers.

### *Media*

Several local media outlets, including OregonLive.com, Beaverton Valley Times, KGW, and KATU.com covered the launch of the online surveys. The Economic Development Division staff participated in an on-air discussion of the Study on KGW, and sent survey results to OregonLive.com for a local news article. In addition, links to the survey were posted multiple times

on the City's Facebook page, and Portland Food Carts provided links on their websites and also "tweeted" about the survey. The survey link was also posted on the social media website Yelp by a food cart fan.

## IV. CROSS CITY COMPARISON

To better understand the growing food cart trend, this section provides research on food cart policies, regulations, and operations in cities similar to Beaverton across the country.

### A. Comparison Cities

The comparison cities in Table 1 have similar populations and contexts to Beaverton and are located in Oregon. While some of the population and income data below varies, staff attempted to provide a range of cities with food cart regulations that could help inform local decisions. This list is by no means exhaustive. Cities are labeled as city, suburb, or city/rural to give additional context to their population size.

**Table 1: Population and Household Data Comparison for Case Study Cities**

City	Classification	Population (2013)	Median Family Income (2013)	Income Per Capita (2013)	Median Age (2013)	Diversity Index (2012)
Beaverton, OR	First Tier Suburb	91,383	\$72,394	\$30,250	35.2	60.9
Bend, OR	City/Rural	78,128	\$66,442	\$29,650	37.8	31.2
Eugene, OR	City	157,318	\$62,099	\$26,017	34.2	37.6
Gresham, OR	First Tier Suburb	107,196	\$54,866	\$21,553	34.2	48.9
Portland, OR	City	594,687	\$65,158	\$31,839	36.3	51.4

Source: 2013 American Community Survey, ESRI Business Analyst Online

Additional discussion of the demographics of these cities, as well as Beaverton's diversity and customer and retail bases, can be found in Section VI: Market Analysis. The current fee structure and regulations governing food cart operations in these cities are displayed in Table 2 below.

**Table 2: Summary of Food Cart Regulations in Comparison Cities**

City	Regulation	Applicable Fee	Opportunities	Challenges	Notes
Beaverton	City Plan Review	\$423 - \$509	Located on property zoned as Commercial, Multiple Use, or Industrial	May operate only between 7:00 AM and 10:00 PM	
	Annual Temporary Use Permit	\$193		A total of 7 hours of operation within a 24-hour period	
	Annual Mobile Sales Fee	\$513 - \$618		Cannot leave cart/truck in place overnight	
Bend	Annual Street Vendor Permit	\$181 permit \$207 deposit	May vend in public right-of-way, on private property No operating hour restrictions	9 permits allocated for Downtown Street Vendor Program Carts on public right-of-way must be less than 25 sq. ft.	Few vendors operate 9:00 pm - 2:00 am Encouraged to locate on commercial properties with urban improvements
			No bathroom facilities required	Location is determined by a lottery	
Eugene	Annual Permit	\$195 fee; \$25 renewal	Allow co-location Allow late night hours	Not allowed in City parks unless associated with an approved event Not allowed on public sidewalks except designated areas	
Gresham	Food & Beverage Cart Permit (one-time)	\$750 - \$1,110	No operating hour restrictions	Must be mobile units, cannot operate from motorized vehicles	Allows pods
	Development Fee (if stationary 4+ hrs/day)	\$1,068	Allows structures/ accessory items intended for customers	Pods must have at 1/3 of carts facing the street with a service window	No renewal; annual inspection + fee
	Annual Inspection Fee	\$94	Signs allowed on cart, plus one A-board sign	Private property only	
Portland	Annual License	\$500	No requirement to move unit at specific intervals	Must be in working, mobile condition (all wheels must function)	Allows pods
	Annual Inspection Fee	\$100	Signs are allowed with permit	Additional \$105 fee when relocating cart to new private property location	Can operate one location, multiple locations, or route
	Annual Night Vending Fee	\$200		Private property only; separate PBOT permit for public right-of-way vending	
	Relocation Fee	\$105			

Sources: City of Beaverton; City of Bend, City of Eugene, City of Gresham, City of Portland, Oregon Department of Human Services

Additionally, prohibiting food carts from forming clusters or pods on a single location can prevent the site from becoming a community destination for walking and dining, as other cities have seen. The Food Cartology Study examining food cart clusters demonstrated that they have the potential to enhance neighborhood atmospheres, street vitality, and community identities.<sup>16</sup>

Beaverton has a history of successful entrepreneurs in artisanal foods. Throughout the 26-year duration of the Beaverton Farmers Market, the demand for artisan food producers has grown along with the popularity and attendance of the Market. The Market has served as a mini-incubator for several food entrepreneurs including Gloria's Secret Café which opened a brick-and-mortar restaurant on SW Broadway Street in May 2003; Big O's Delicious Pizza which has plans to open a brick-and-mortar restaurant in the former Shirley's Café space after more than four years as a vendor at the Market; and the Pacific Pie Company which is focusing on two brick-and-mortar restaurants after several successful years in the market.

<sup>16</sup> City of Portland, "Food Cartology," 2009

## V. SURVEY ANALYSIS

To understand community attitudes on food cart regulations, operations, and obstacles, three online surveys were administered to potential food cart customers, and business and property owners in the City. The almost 1,500 survey results provide the basis for our quantitative analysis, and respondents represent a mix of local residents, employees who work in Beaverton but may not live there, visitors from outside of Beaverton, local business owners, and local property owners.

### A. Survey Design

EDD Staff designed the surveys and questions using standard survey design methods and best practices, internal expertise, and previous food cart industry research done by the City of Portland.<sup>17</sup> Every attempt was made to ensure that questions were clear, fair, and balanced. Staff felt this goal was met after receiving feedback from respondents that the survey seemed scaled in both directions. Survey topics focused on the issues most relevant to the Beaverton downtown core area, and stemmed from the questions posed by the Planning Commission: whether Beaverton should liberalize current regulations to expand operating hours, allow food carts to stay on location overnight, and whether the city should allow carts to co-locate and form pods on private property.

#### *Note about Survey Representativeness*

Despite best efforts, the demographics of the Customer Survey respondents are not representative of the actual population of the City of Beaverton. Of the 78 percent of survey respondents who gave their age, respondents significantly underrepresented the “under 18” age category and overrepresented the ages 25-44, compared to the general population of Beaverton.<sup>18</sup> By race, survey respondents identifying as white overrepresented the general population, while people identifying as Hispanic/Latin American and Asian were underrepresented. Survey respondents were also unrepresentative of Beaverton’s population when considering educational attainment: in general, the population with lower levels of educational attainment (some college – no degree, high school degree, or less than high school) were underrepresented in the survey and the population of higher-educated individuals was overrepresented compared to Beaverton’s general population.

“Have thoughts of opening my own restaurant and starting first with a food truck is a great way to establish a name and clientele list before making a large investment in a brick and mortar space.”

While survey representativeness is important to consider when drawing conclusions for the general population’s attitude about Food Carts in Beaverton, there are several important caveats. Firstly, answering demographic questions was voluntary, and as only 78% of all survey respondents elected to share this information, there could be a self-selection bias for those who

<sup>17</sup> City of Portland, “Food Cartology,” 2009

<sup>18</sup> Based on the 2013 ACS Census demographic information for Beaverton

chose to respond. Additionally, the representativeness of these survey respondents is being compared to the general population of Beaverton. In actuality, survey respondents comprised a mix of residents, people who work in Beaverton and live elsewhere, and visitors to the city. This inherently provides a mismatch between the survey respondents and the population.

We cannot ascertain the representativeness of the Business Owner and Property Owners surveys due to a lack of demographic information about these populations in Beaverton for comparison purposes.

## B. Key Findings

Several key findings are summarized in Table 3. Across the three separate surveys, support for easing regulations for food carts and allowing them to co-locate outweighed negative attitudes by at least two-to-one. When considering whether an expanded food cart industry in Downtown Beaverton would hurt local restaurants, create health or sanitation issues, or increase traffic and noise, most respondents in each survey did not consider these to be issues.

**Table 3: Summary of Key Survey Results**

Number of Respondents	Customer Survey 1,214		Business/Food Cart 161		Property Owner Survey 120	
	Yes	No	Yes	No	Yes	No
Should food carts stay open longer?	86%	10%	75%	17%	64%	29%
Should food carts stay in place overnight?	78%	14%	68%	20%	49%	41%
Should Beaverton allow multiple food carts to co-locate?	90%	7%	79%	16%	67%	27%

Responses were generally positive about food carts increasing walkability, offering additional low-cost dining options, and expanding dining cuisines and variety. When asked about where food carts should be allowed to locate (listing multiple locations), the most common answer for Customers was the Downtown area (68.3%) followed by Old Town (66.7%) and Industrial/Office areas (64.2%), while the most common response for Business and Property Owners was Industrial/Office Areas (62%).

## C. Customer Survey

The customer survey received 1,214 individual responses. Overall, support for food carts in Beaverton was strong: more than 86 percent of respondents think food carts should be able to stay open longer; 78 percent would like to see them stay in place overnight, and 90 percent think that Beaverton should allow food cart pods. Only 10 percent of respondents believed food cart pods would negatively impact existing restaurants, while 74 percent disagreed or strongly disagreed.

More than half of survey respondents had been a customer of a food cart in Beaverton and 93 percent would like to see more food carts in Beaverton. About seven percent of respondents indicated an interest in starting a food cart in Beaverton – ideas included a pods for coffee, tea, donuts and pastries, a barbeque concept, a vegan food cart, and others. Some respondents noted the lack of a viable pod site, and burdensome regulations as barriers; one indicated they had a cart built and ready, but needed a site. Over 54 percent of respondents were Beaverton residents.

“Beaverton should stand by its “Open for Business” brand and be welcoming to all businesses.”

Negative attitudes regarding food carts included: perceived negative impact on existing restaurants, the opinion that Beaverton has enough fast, cheap food options, worries over increased restaurant competition, concerns over food carts not following the same rules or pay the same taxes as restaurants, and thoughts that food carts provide no permanent commitment to the community.

Respondents who did not expect a negative impact on existing restaurants commented that food carts could provide additional food options, that they offer lower-cost alternatives and support the local economy, and that food carts could bring additional customers for all businesses.

#### D. Business Owner Survey

The business owner survey received 161 individual responses. Over 75 percent supported increased operating hours; 68 percent would like to see carts stay in place overnight; and about 78 percent thought food carts should be allowed to co-locate in pods. In the comments, most business owner respondents indicated a preference for clustering carts together in one site, rather than having single carts throughout the city, but stressed the importance of proper waste disposal, sanitation, and water.

When considering whether food cart pods would negatively impact Beaverton’s existing restaurant industry, approximately 16 percent of business owner respondents agreed while 67 percent disagreed or strongly disagreed. Concerned comments included extra competition for customers, losing jobs like dishwashing and serving, reduced parking availability, and the unfair advantage of lower overhead costs. Supportive comments suggested that increased variety helped all restaurants, that the carts could enhance downtown Beaverton, and that the dining experiences were different and distinct enough to avoid competition. Additionally, more than 69 percent of business owner respondents indicated that their employees would have interest in seeing more food carts in Beaverton and more than 70 percent thought that food carts would increase Beaverton’s desirability as a place to live, work, or start a business.

“I don’t like seeing them in Beaverton. Beaverton should retain its own identity - not copy Portland.”

## E. Property Owner Survey

The property owner survey received 120 individual responses and support was positive, although less so than the business owner and customer surveys. Approximately 64 percent of property owners think food carts should be able to stay open longer, slightly fewer than 50 percent would like to see carts stay in place overnight, and over 66 percent think Beaverton should allow multiple food carts to co-locate. Several property owners thought that operating hours and overnight availability should be regulated on a site-by-site basis with input from the land owner. Concerns over allowing food cart clusters included vandalism, disruption to neighborhoods, and cleanliness and waste disposal. Property owners supported the increased variety of food cuisines and price levels, the enhanced walkability, and the entrepreneurship that food carts can offer.

Most property owners, about 43 percent, expressed dissatisfaction with the current food options in downtown Beaverton, and about half did not expect existing restaurants to be negatively impacted by food cart pods. Additionally, approximately 61 percent of respondents thought food carts would increase Beaverton's desirability as a place to live, work, or start a business, and 25 percent indicated they would allow a food cart pod to operate on their property.

## VI. MARKET ANALYSIS

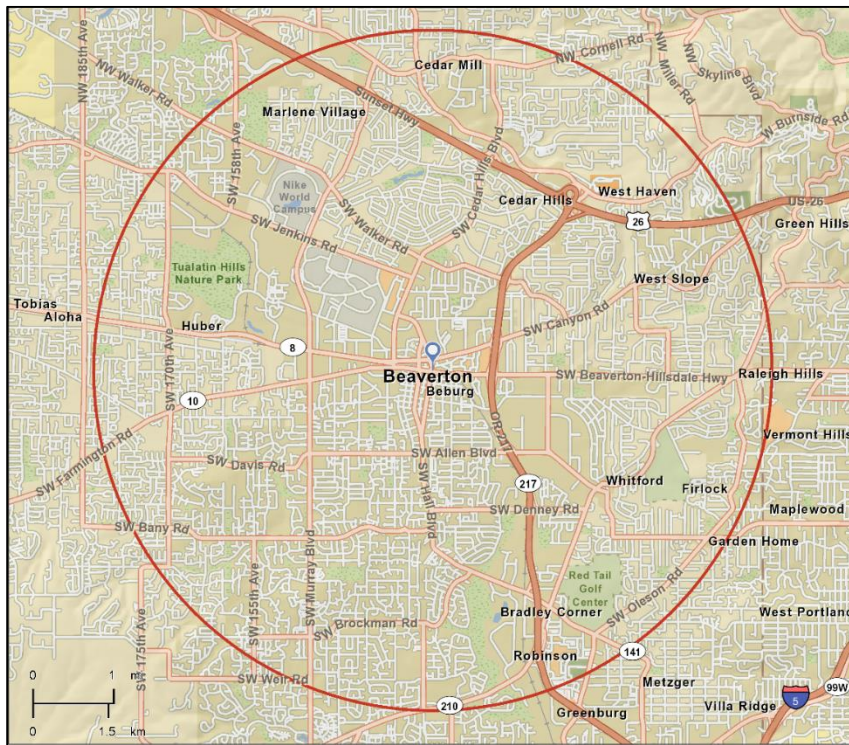
This section examines the market demand for food services citywide and for the downtown core, as a function of the disposable income potential in the defined trade areas. The combined spending of residents, employees, and visitors to an area represents the ability of these groups to support commercial uses.

### A. Local Business Analysis

According to ESRI Business Analyst Online, as of 2012 there are 6,330 businesses within the city of Beaverton city limits, while there are 8,844 within the three mile trade area. The three mile trade area extends beyond the City of Beaverton boundaries to include residents and outside consumers. As Figure 4 demonstrates, the three mile trade area centered in downtown Beaverton extends North of Highway 26 to include Cedar Mill, East of State Route 217 to include West Slope and Raleigh Hills, South to Robinson and Bradley Corner, and West to approximately NW 185<sup>th</sup> Avenue. Table 4 outlines the business, employee, and residents within the downtown trade area.



**Figure 4: Three-mile Downtown Trade Area**



Source: ESRI Business Analyst Online, (c) 2014.

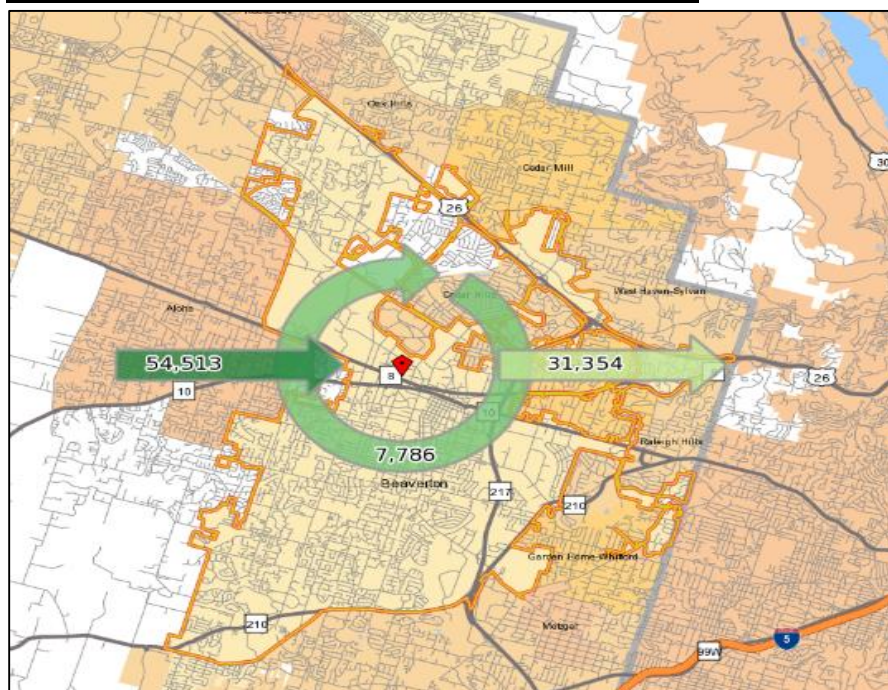
**Table 4: Business Summary for Downtown Beaverton Three Mile Radius**

Downtown Beaverton: 3 Mile Radius	
Total Businesses	8,844
Total Employees	56,589
Total Residential Population	131,475
Employee/Residential Population Ratio	0.43

Source: ESRI and Dun & Bradstreet. Copyright 2012 Dun & Bradstreet, Inc.

As a suburban city, Beaverton sees a large inflow and outflow of workers from neighboring Portland, Hillsboro, and other neighborhoods. Figure 5 illustrates this flow of jobs within and through the city limits. In 2011, 62,299 people were employed in Beaverton. Of those, 54,513 were employed in Beaverton but lived outside, accounting for 88 percent, and 31,354 were living in Beaverton but employed outside, 80 percent. Twenty percent (7,786) were employed and living in Beaverton.

**Figure 5: Inflow and Outflow of Jobs in Beaverton**



Source: U.S. Census Bureau, Center for Economic Studies, Longitudinal Employer-Household Dynamics, On the Map, 2011

## B. Local Customer Analysis

Beaverton has a unique demographic population, with a lower-than-regional-average median age, higher-than-regional-average diversity, and higher-than-regional-average annual family income. The city is home to over 91,383 residents, 21,880 families, and a civilian labor force of over 51,790 people, of which, almost 90% are employed. With significant job opportunities, world-class employers, lower-cost housing compared the Portland metro area, and a close proximity to Portland, Hillsboro and other suburban cities, Beaverton's population is slated to grow approximately 6%, to 96,679 people in 2017.<sup>19</sup> The median family income in Beaverton is \$72,394, compared to \$68,036 in Portland, \$65,158 in Hillsboro and \$64,719 for the United States, and the median age in Beaverton is 35.2, compared to 36.3 in Portland, 32.2 in Hillsboro, and 37.3 for the nation. Beaverton also has a well-educated population, with approximately 28.4% of residents over age 25 having a Bachelor's degree. This compares to Portland's 26.3%, Hillsboro's 20.5%, and 18.0% for the nation.<sup>20</sup> Section VII: Retail Gap Analysis, takes a closer look at the restaurant and food cart industries in relation to Beaverton's demographic profile.

<sup>19</sup> ESRI Business Analyst Online

<sup>20</sup> All other data from the American Community Survey, 2013

### C. Beaverton's Diversity and Entrepreneurship

Beaverton is home to diverse population and workforce. The Environmental Systems Research Institute (ESRI) produces a Diversity Index as a proxy for demographic diversity in states, counties, cities and metropolitan areas across the US. The Index “represents the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups” and includes up to seven different race and ethnic groups to calculate an area’s diversity from 0 (no diversity) to 100 (complete diversity). The United States as a whole had a 2014 Diversity Index of 62.6 in 2014, up from 60.6 in 2012, and is expected to see an Index score of 65 in 2019. Beaverton’s Diversity Index was on par with the national figure: in 2012 Beaverton stood at 60.9, and is forecasted to increase to 64.1 by 2017. It is worth noting that based on this data, Beaverton is more diverse than the comparison cities: the City of Bend’s 2014 Index was 31.2, Eugene 37.6, Gresham 48.9 and Portland 51.4.

This diversity extends to Beaverton’s restaurants, as well. As Beaverton is increasingly recognized for its ethnic restaurants and markets, the demand for specialty food will grow – including lower-cost food cart vendors. In the area that encompasses Downtown Beaverton, 35 of the 61 restaurants offered ethnic cuisines in 2013, while six of the ten markets and grocers provided ethnic and cultural products.

In addition to increasing the variety of food and restaurant choices, food carts can be a great entrepreneurial venture for minority or traditionally underserved populations.<sup>21</sup> To uphold its promise of being “Open for Business,” Beaverton must do its best to create an inclusive environment for all business owners and entrepreneurs. For marginalized, low-income, or traditionally underserved populations, perhaps with language barriers or other obstacles to entering the workforce, entrepreneurship can be a good avenue toward business success. And with relatively low start-up costs, flexibility in hours, and mobility in location, food carts can be a good entrepreneurial venture for these populations.

## VII. RETAIL GAP ANALYSIS

Economic development research examining the City of Beaverton reveals an unmet need for additional food services in certain areas, and generally positive residential attitudes toward food carts. In September 2012, the City of Beaverton analyzed the area newly established as part of an Enterprise Zone, including the industrial and employment land located east of Hwy 217 near Western Avenue and Allen Boulevard. This research concluded that the area lacked sufficient food services for the 250 businesses in the area at the time of the survey. Additionally, Portland State University graduate students performed a Corridor Study of Allen Boulevard over the January to May 2014 timeframe. This Study included a community survey of households/people along Allen Boulevard and saw strong support of food carts and food cart pods. Of the survey responses, 69 percent of business owners and 55 percent of community members thought Allen Boulevard would be a good location for a food cart pod.

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<sup>21</sup> City of Portland, "Food Cartology," 2009

Staff also looked at the retail supply and consumer demand gap in the three-mile downtown area (displayed in Figure 4 on page 23) using ESRI Business Analyst Online (ESRI BAO) Leakage/Surplus Factor. The Leakage/Surplus factor measures the balance between the supply generated by the retail industry (sales), and the consumer demand within the industry (household spending). Market Leakage occurs when consumer demand in an industry exceeds that industry's capacity to supply. In this instance, retailers outside the market area step in to fulfill the excess demand – and trade leaks out of the market area. Surplus occurs when industry supply exceeds local area consumer demand, thus local suppliers attract additional shoppers outside the trade area. Table 5 lists the food-service sector retail gap analysis for firms in Beaverton's three mile trade area. According to this analysis, Beaverton has \$157 million in untapped potential for food services in the three mile downtown trade area.

**Table 5: Beaverton Food Service Retail Gap Analysis, 2012**

Industry Group	NAICS	Demand	Supply	Retail Gap/Surplus	Leakage/Surplus Factor	Number of Firms
Full-Service Restaurants	7221	\$68.1 M	\$74.7 M	-\$6.6 M	-4.6	84
Limited-Service Eating Places	7222	\$71.1 M	\$50.7 M	\$20.4 M	16.7	61
Special Food Services	7223	\$5.8 M	\$4.6 M	\$1.2 M	10.7	7
All Food Services & Drinking Places	722	\$157.3 M	\$133.7 M	\$23.6 M	8.1	170

Source: ESRI Business Analyst Online

Food carts generally fall under the Special Food Services category, which demonstrates greater demand than current (2012) supply. It is important to note that this demand analysis may underestimate actual customer demand for food carts and other mobile food services, due to the increasing popularity of food carts in recent years and due to the restrictive regulations in Beaverton that have essentially reduced supply.

Table 6 demonstrates Beaverton consumer behavior and spending patterns in 2012 and projections for 2017. To determine the market potential, Staff used ESRI's Restaurant Market Potential Index (MPI). The MPI measures the relative likelihood that adults in specified trade area exhibit certain consumer behavior or purchasing patterns compared to the U.S. as a whole. An MPI of 100 represents the U.S. average.

**Table 6: 2012 Beaverton Restaurant Spending Patterns and Market Potential**

Product/Consumer Behavior	Adults	Percent	MPI
Went to family restaurant/steakhouse in last 6 months	54,942	77.5%	108
Family restaurant/steak house last month: <2 times	18,819	26.5%	103
Family restaurant/steak house last month: 2-4 times	20,123	28.4%	105
Family restaurant/steak house last month: 5+ times	16,001	22.6%	116
Went to fast food/drive-in restaurant in last six months	64,110	90.4%	102
Went to fast food/drive-in restaurant: <6 times/month	24,507	34.5%	99
Went to fast food/drive-in restaurant: 6-13 times/month	21,219	29.9%	104
Went to fast food/drive-in restaurant: 14+ times/month	18,385	25.9%	104

Source: ESRI Business Analyst Online

Taken together, there is an unmet demand for food services in Beaverton, and this is an important and frequent form of consumption for Beaverton residents. This analysis reflects the Food Cart

Customer Survey results: when asked “How satisfied are you with the current food options in downtown Beaverton?” approximately 43% of respondents said they were “Unsatisfied,” and 15% said they were “Very Unsatisfied” with local choices. Less than 16% responded “Satisfied” or “Very Satisfied.”

Allowing more food carts in Beaverton could help fill this gap. According to the ESRI BAO analysis, Beaverton consumers dined at family restaurants, steak houses, and fast-food restaurants more frequently in 2012 than the national average, and over 90% of ESRI’s respondents dined at a fast food or drive-in restaurant at least once in the six months prior to the survey. The local preference for low-cost, quick service food expressed in the survey coupled with the higher-than-national-average market potential for this sub-sector, bode well for food cart success in downtown Beaverton.

## VIII. POTENTIAL LOCATIONS

To determine potential locations for food cart pods, Staff began with the 17 property owners who indicated a willingness to host a pod on their property through the online survey. Potential sites were only considered in Beaverton’s Downtown Core because this area has a high concentration of public transportation options and is the focus of other city-related efforts to create walkable, pedestrian-friendly districts in Beaverton. A set of criteria was developed to evaluate these sites.

Table 7 lists the 12 criteria used to evaluate potential food cart pod sites. Criteria were determined by the City of Beaverton Staff, and were informed by prior research, best practices, city policy goals, and careful examination of existing successful pod sites in Beaverton and the surrounding area. Each of the potential sites received a score of 1-5 for each of the criteria, determined by EDD staff during site visits in May 2014. Scores were then summed to determine the most suitable potential food cart pod site.

**Table 7: Criteria for Evaluating Potential Food Cart Pod Locations**

Number	Criteria
1	Downtown location
2	Site readiness
3	Proximity to transit
4	Proximity to storefront businesses
5	Proximity to roads with high traffic counts
6	Proximity to Office Uses/employees
7	Parcel size large enough for pod concept
8	Near restrooms
9	Near indoor seating
10	Possibility/space for adding covered seating
11	Near public parking
12	Proximity to restaurants

*Source: City of Beaverton Economic Development Staff, External Research*

## *Criteria Descriptions*

Currently, potential sites are only being considered in Beaverton's downtown core (criteria 1) because it already has the necessary infrastructure and amenities for a pedestrian-friendly, transit-oriented environment.

Site readiness (criteria 2) includes whether or not the surface area is already paved and how much additional work might be needed to ready a site for food cart vending. It is assumed that all sites will need some level of preparation, and that the property owner would incur these costs.

Site proximity to transit (criteria 3) considers access to multiple modes of transportation, such as biking, walking, and public transportation, so as to foster an inclusive, walkable, and transit-oriented downtown core.

Proximity to other storefront businesses (criteria 4) already located near transit can make for a good juxtaposition and therefore proximity to storefront businesses was an important criteria to evaluate.

Proximity to high-traffic roads (criteria 5) identifies the potential impact a site may have on traffic flow and congestion. It is necessary to consider this separate from access to public parking (criteria 11) to identify whether traffic near the site could be mitigated with additional parking.

Proximity to Office Uses/employees (criteria 6) examines the trade area and consumer base that may dine at food carts.

Potential pod locations were evaluated based on whether they could accommodate a minimum of three food carts (parcel size, criteria 7).

Sites were evaluated on whether restrooms (criteria 8) or indoor seating (criteria 9) were available onsite or immediately adjacent to the site and/or if covered seating could be added (criteria 10). Research demonstrates that food cart pods are more successful and more likely to meet code standards when they have access to amenities such as restrooms and indoor or covered seating.<sup>22</sup>

Due to the potential for increased competition, food cart pod proximity to restaurants (criteria 12) was evaluated separately from proximity to storefront businesses. Food cart pod sites located near restaurants would receive lower scores than those near existing storefront businesses.

Using these criteria, the 17 sites in Table 8, were evaluated through site visits conducted by staff in May 2014. See Appendix C for the each site's score for each criteria. The sites included mostly

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<sup>22</sup> City of Portland, "Food Cartology," 2009



commercially-zoned property and one industrial-zoned site. Of the sites evaluated, five have existing restaurants or food-related storefront businesses.

**Table 8: Potential Food Cart Pod Sites**

Site Business	Site Address	Final Score
Peddler's Pack	4570 SW Watson Ave	56
Beaverton Prof Ctr	12755 SW 2nd St	55
Holland (9) Vacant Parcel	12130 SW Broadway St	52
Korean BBQ	12275 SW Canyon Rd	52
Beauty School	4225 SW Hall Blvd	52
Blue Iguana Vacant Building	3800 SW Cedar Hills Blvd	52
Giovanni's	12390 SW Broadway St	52
Mill e Moto	4675 SW Washington St	52
Buffalo Wing	11995 SW Beav.-Hills. Hwy	51
Light Benders	12825 SW Beaverdam Rd	50
A&P Appliance	12625 SW Broadway St	50
First United Methodist	12555 SW 4th St	49
Chiropractic First	12820 SW 2nd St	48
Peonies & Poss.	4795 SW Watson Ave	47
Canon	9401 SW Nimbus Ave	38
Uptown Mkt	6620 SW Scholls Ferry Rd	38
Biggi	3849 SW Lombard Ave	30

The top seven sites for a food cart pod include Peddler's Pack, Beaverton Professional Center, the vacant parcel at 12130 SW Broadway Street, the Korean BBQ site, the Beauty School on Hall Boulevard, Giovanni's, and Mill e Moto. (Since the site visits were conducted, the vacant building at 3800 SW Cedar Hills Blvd has been occupied by a new business, Brannon's Brewery). Each of these sites scored highest on proximity to transit and other storefront businesses, had sufficient public parking nearby, and could most easily accommodate indoor or covered seating.

Many of these sites are located on or near Broadway Street and Watson Avenue, which are located within the proposed Broadway Pedestrian District as designated in the Beaverton Civic Plan.<sup>23</sup> Additionally, the Vacant Parcel on the Holland site was identified as an "Opportunity Site" in the Civic Plan, as it is considered to be well-suited for redevelopment in the near term.<sup>24</sup> These areas were also highlighted in the Downtown Beaverton Retail Analysis for their development potential.



When discussing Catalyst Development Projects and Opportunity Sites, the Civic Plan notes that "it may be necessary to jump start development in the Central City through a combination of public and private investments."<sup>25</sup> As these sites were initially selected for evaluation because property

<sup>23</sup> Beaverton Central City Strategy, 2011, "Proposed Pedestrian Districts" page 76

<sup>24</sup> Beaverton Central City Strategy, 2011, "Catalyst Development Projects" page 61

<sup>25</sup> Beaverton Central City Strategy, 2011, "Catalyst Development Projects" page 60



owners expressed interest in hosting a food cart pod, the potential for public-private investment may face fewer obstacles in the development process.

The purpose of this initial site evaluation is to gauge the level of property-owner interest in hosting a food cart pod, as well as understand the applicability of a pod concept in downtown Beaverton. If current food cart regulations are changed to allow food cart pods, further analysis will be needed.

## IX. POLICY RECOMMENDATIONS

The use of overlay zoning is one way to create a more flexible and discretionary alternative to Euclidean zoning. An overlay zone is defined as "a mapped overlay district superimposed on one or more established zoning districts which may be used to impose supplemental restrictions on uses in these districts, permit uses otherwise disallowed, or implement some form of density bonus or incentive bonus program."

Potential policy recommendation options could include the two original questions posed June 26, 2013 along with new options that have come out of follow up related to those two original questions:

1. Overlay Zone – Amend the Development Code to create a new zone with new provisions within a specified geography:
  - a. Regional Center (RC-OT, RC-E, RC-TO) zones or
  - b. Regional Center (RC-OT, RC-E, RC-TO) zones and Industrial (IND and OI) zones.
2. Text Amendment – Amend the Development Code as it relates to Temporary Use and allow food carts citywide through an ordinance.

Further discussion with Planning Commission will be necessary to determine next steps and clarify policy recommendations.

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## XI. APPENDIX A: EXISTING FOOD TRUCK LOCATIONS IN BEAVERTON

### Richi's Tacos, 4125 SW Canyon Road



### Maiale de Volo Wood Fired Catering, 6620 SW Scholls Ferry Road



### La Poblana, 12975 SW Canyon Road



## XII. APPENDIX B: SURVEY QUESTIONS

### Each survey included the following introduction:

On June 26, 2013, Planning Commission held a work session to reinitiate the discussion around food carts and to consider the possibility of extending the operating hours and/or fostering policy changes to allow for food cart pods on underutilized property.

In order to approve a Temporary Mobile Sales (TMS) application, applicants must demonstrate that the following criteria are satisfied in their proposal:

- Satisfies threshold requirements for a TMS application
- Application fees have been submitted
- Contains all submittal requirements
- Is located entirely within private property in a Commercial, Industrial, or Multiple Use zoning district
- Written consent of property owner
- Written permission from the City if proposal is located on a public right-of-way within any of the Regional Center or Town Center zoning districts
- Poses no threat to public safety
- Complies with all applicable use restrictions of zone
- Does not involve a permanent building
- Does not obstruct or occupy minimum required parking spaces unless demonstrated that those spaces are not being used by permanent use located on subject site
- Maintain safe vehicle and pedestrian circulation
- A TMS has not been issued for the same site

The City's Economic Development department is currently conducting a food cart feasibility study to research food cart pods in a suburban context. Survey responses will provide valuable feedback from the community and will be incorporated into the findings that will be presented to Planning Commission.

The survey will not take more than 5 minutes so we hope you will be patient with our ask. If you have any questions or want additional information, please visit:

[BeavertonOregon.gov/FoodCarts](http://BeavertonOregon.gov/FoodCarts). We want to hear from you!

### A. Customer Survey (offered in both English and Spanish)

#### **SECTION I: Addresses current food cart regulations.**

**1. The current regulation allows for a food cart to stay in one place for a maximum of 7 hours. Do you think food carts should be able to stay open longer?**

Yes

No

Maybe (please specify)

**2. The current regulations require food cart owner to move their cart after the 7 hour time limit.**

**Would you like to see carts stay in place overnight?**

Yes

No

Maybe (please specify)

**3. The current regulation indicates that food carts cannot collocate (no more than 1 cart on a site); Portland has food cart pods, where multiple carts collocate on one private site. Do you think**

**Beaverton should allow multiple food carts to colocate?**

Yes  
No  
Maybe (please specify)

**SECTION II: Potential impacts if food cart regulations are made less restrictive in Beaverton.**

**4. I believe allowing food cart pods will negatively impact revenue in Beaverton's existing restaurants.**

Strongly Agree  
Agree  
Neutral  
Disagree  
Strongly Disagree

**5. If you strongly agree, why?**

**6. If you strongly disagree, why?**

**7. I believe food carts and/or food cart pods... [for each statement select Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree]**

Encourage pedestrian activity  
Turn barren places into gathering places  
Create health/sanitation problems  
Increase traffic congestion  
Increase noise pollution  
Introduce people to new foods  
Offer affordable dining options  
Other (please specify)

**8. I believe the presence of food carts would increase Beaverton's desirability as a place to live, work or start a business.**

Strongly Agree  
Agree  
Neutral  
Disagree  
Strongly Disagree

**SECTION III: Tell us about your personal experience/preference.**

**9. How satisfied are you with the current food options in downtown Beaverton?**

Very Satisfied  
Satisfied  
Neutral  
Unsatisfied  
Very Unsatisfied

**10. Have you been a customer of a food cart business in Beaverton?**

Yes  
No

**11. Was the food cart easily accessible?**

Yes  
No

Please describe any issues you may have experienced, such as parking, narrow sidewalk, trash, etc.

**12. Do you think there should be more food carts in Beaverton?**

Yes  
No  
Please explain

**13. Have you eaten at a food cart or one of the pods in Portland Metro area?**

Yes  
No  
If yes, what did you like or dislike about the carts?

**14. Where should food carts be allowed to operate? (Check all that apply)**

Beaverton Old Town  
Downtown  
Commercial areas near residential neighborhoods  
Industrial/Office areas  
Near schools  
No restrictions  
Other (please specify)

**15. Are you interested in starting a food cart in Beaverton?**

Yes  
No  
Maybe (please specify)

**16. If yes or maybe, please provide your contact information so we can keep you informed about potential opportunities.**

[Name, email address, phone number]

**17. Do you have time to answer some demographic questions?**

Yes  
No

**18. What is your age?**

18-24  
25-34  
35-44

45-54  
55-64  
65-74  
75 years or older

**19. Ethnicity origin (or Race): Please specify your ethnicity.**

Under 18 years old  
Asian  
Black or African American  
Hispanic or Latino  
Native American  
Pacific Islander  
White  
Other (please specify)

**20. What is the highest level of school you have completed or the highest degree you have received?**

Less than high school degree  
High school degree or equivalent (e.g., GED)  
Some college but no degree  
Associate degree  
Bachelor degree  
Graduate degree

**21. Which of the following categories best describes your employment status?**

Employed, working 40 or more hours per week

Employed, working 1-39 hours per week  
Not employed, looking for work  
Not employed, NOT looking for work  
Retired  
Disabled, not able to work  
Student

**22. Please choose one or more of the following to describe yourself:**

Live in Beaverton  
Live in Washington County  
Live in neighboring city  
Work in Beaverton  
Visiting a Beaverton business  
Other (please specify)

**23. How did you get to Beaverton today?**

Bike  
Bus  
Car  
Carpool  
MAX  
Walk  
WES Commuter Rail  
Answered online, not applicable

**24. Any additional comments, suggestions, concerns?**

**B. Business Owner Survey (offered in both English and Spanish)**

**SECTION I: Addresses current food cart regulations.**

**1. The current regulation allows for a food cart to stay in one place for a maximum of 7 hours. Do you think food carts should be able to stay open longer?**

Yes  
No  
Maybe (please specify)

**2. The current regulations require food cart owner to move their cart after the 7 hour time limit. Would you like to see carts stay in place overnight?**

Yes  
No  
Maybe (please specify)

**3. The current regulation indicates that food carts cannot colocate (no more than 1 cart on a site); Portland has food cart pods, where multiple carts colocate on one private site. Do you think**

**Beaverton should allow multiple food carts to colocate?**

Yes  
No  
Maybe (please specify)

**SECTION II: Potential impacts if food cart regulations are made less restrictive in Beaverton.**

**4. I believe allowing food cart pods will negatively impact Beaverton's existing restaurants.**

Strongly Agree  
Agree  
Neutral  
Disagree  
Strongly Disagree

**5. If you strongly agree, why?**

**6. If you strongly disagree, why?**

**7. I believe food carts and/or food cart pods... [for each statement select Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree]**

Encourage pedestrian activity  
Turn barren places into gathering places  
Create health/sanitation problems  
Increase traffic congestion  
Increase noise pollution  
Introduce people to new foods  
Offer affordable dining options  
Other (please specify)

Unsatisfied  
Very Unsatisfied

**10. I believe the presence of food trucks would increase Beaverton's desirability as a place to live, work or start a business.**

Strongly Agree  
Agree  
Neutral  
Disagree  
Strongly Disagree

**8. Where should food carts be allowed to operate? (Check all that apply)**

Beaverton Old Town  
Downtown  
Commercial areas near residential neighborhoods  
Industrial/Office areas  
Near schools  
No restrictions  
Other (please specify)

**11. Are your employees interested in seeing more food carts in Beaverton?**

Yes  
No  
Maybe (please specify)

**12. Would you eat at a food cart?**

Yes  
No  
Maybe (please specify)

**SECTION III: Tell us about your personal experience/preference.**

**9. How satisfied are you with the current food options in downtown Beaverton?**

Very Satisfied  
Satisfied  
Neutral

**13. If you'd like to stay informed about food cart regulations, please provide your contact information below:**

Name of Business:  
Name of Business Owner:  
Email Address (for distribution of survey results):

**C. Property Owner Survey**

**SECTION I: Addresses current food cart regulations.**

**1. The current regulation allows for a food cart to stay in one place for a maximum of 7 hours. Do you think food carts should be able to stay open longer?**

Yes  
No  
Maybe (please specify)

**2. The current regulations require food cart owner to move their cart after the 7 hour time limit. Would you like to see carts stay in place overnight?**

Yes  
No  
Maybe (please specify)

**3. The current regulation indicates that food carts cannot colocate (no more than 1 cart on a site); Portland has food cart pods, where multiple carts**

**colocate on one private site. Do you think Beaverton should allow multiple food carts to colocate?**

Yes  
No  
Maybe (please specify)

**SECTION II: Potential impacts if food cart regulations are made less restrictive in Beaverton.**

**4. I believe allowing food cart pods will negatively impact Beaverton's existing restaurants.**

Strongly Agree  
Agree  
Neutral  
Disagree  
Strongly Disagree

**5. If you strongly agree, why?**

**6. If you strongly disagree, why?**



**7. I believe food carts and/or food cart pods... [for each statement select Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree]**

Encourage pedestrian activity  
Turn barren places into gathering places  
Create health/sanitation problems  
Increase traffic congestion  
Increase noise pollution  
Introduce people to new foods  
Offer affordable dining options  
Other (please specify)

**8. Where should food carts be allowed to operate?**

Beaverton Old Town  
Downtown  
Commercial areas near residential neighborhoods  
Industrial/Office areas  
Near schools  
No restrictions  
Other (please specify)

**SECTION III: Tell us about your personal experience/preference.**

**9. How satisfied are you with the current food options in downtown Beaverton?**

Very Satisfied  
Satisfied  
Neutral  
Unsatisfied  
Very Unsatisfied

**10. I believe the presence of food trucks would increase Beaverton's desirability as a place to live, work or start a business.**

Strongly Agree  
Agree  
Neutral  
Disagree  
Strongly Disagree

**11. Would you eat at a food cart?**

Yes  
No  
Maybe (please specify)

**12. Would you allow a food cart pod to operate on your property?**

Yes  
No  
Maybe (please specify)

**13. If yes or maybe, please provide your contact information so we can keep you informed about potential opportunities.**

Name of Property Owner  
Location of Property  
Email Address  
Phone

### XIII. APPENDIX C: FULL POTENTIAL SITE SCORING MATRIX

		Scoring Criteria												
Potential Sites	<i>Scored 1-5; 5=Best</i>	Downtown Location	Lot is Ready to Go	Proximity to Transit	Proximity to Storefront Businesses	Proximity to High Traffic Roads	Proximity to Office/ Employees	Site Sized for Pod Concept	Near Restrooms	Indoor Seating Nearby	Covered Seating Possible	Public Parking Nearby	Proximity to Other Restaurants	TOTAL
Peddler's Pack	4570 SW Watson Ave	5	5	4	5	5	5	5	4	3	5	5	5	56
Beaverton Prof Ctr	12755 SW 2nd St	5	5	4	5	5	5	5	4	3	5	5	4	55
Holland (9)	12130 SW Broadway St	5	3	5	4	5	3	5	4	4	5	5	4	52
Korean BBQ	12275 SW Canyon Rd	5	5	5	3	5	3	5	4	3	5	5	4	52
Beauty School	4225 SW Hall Blvd	5	5	5	5	5	5	4	4	2	4	5	3	52
Blue Iguana	3800 SW Cedar Hills Blvd	4	4	4	3	5	4	5	4	4	5	5	5	52
Giovanni's	12390 SW Broadway St	5	5	5	5	5	3	4	5	3	3	4	5	52
Mill e Moto	4675 SW Washington St	5	5	4	5	5	5	3	4	3	4	5	4	52
Buffalo Wing	11995 SW Beav.-Hills. Hwy	4	5	5	4	5	4	5	4	1	5	5	4	51
Light Benders	12825 SW Beaverdam Rd	5	1	5	5	5	5	5	4	4	4	4	3	50
A&P Appliance	12625 SW Broadway St	5	5	4	4	5	4	3	4	4	2	5	5	50
First United Methodist	12555 SW 4th St	5	4	4	4	4	4	3	4	4	4	5	4	49
Chiropractic First	12820 SW 2nd St	5	4	4	5	5	5	3	4	3	3	4	3	48
Peonies & Poss.	4795 SW Watson Ave	5	3	3	4	4	4	4	4	4	5	4	3	47
Canon	9401 SW Nimbus Ave	1	5	1	1	2	5	5	4	4	4	5	1	38
Uptown Mkt	6620 SW Scholls Ferry Rd	1	2	1	4	3	4	2	4	4	5	3	5	38
Biggi	3849 SW Lombard Ave	3	1	5	2	3	1	5	1	2	5	1	1	30

Potential sites were scored on a 1-5 scale by staff during site visits in the month of May 2014. Guided by prior research, planning requirements, policy goals, and food cart industry expertise, staff evaluated each site on its suitability for a food cart pod cluster of at least three carts using criteria described in Table 7.

DRAFT